

verse cultures and economies show their common wisdom and humanity by joining to preserve the glory of the Pacific environment for future generations.

Such goals extend beyond tomorrow's agenda. But they must not lie beyond our vision. This week our Nation has proved a willingness to reach out in the face of change to further the cause of progress. Now we must do so again. We must reach out to the economies of the Pacific. We must work with them to build a better future for our people and for theirs. At this moment in history, that is our solemn responsibility and our great opportunity.

Thank you very much.

NOTE: The President spoke at 9:42 a.m. in the Spanish Ballroom at the Four Seasons Hotel. A tape was not available for verification of the content of these remarks.

Letter to the Speaker of the House of Representatives on the Penny-Kasich Deficit Reduction Proposal

November 19, 1993

Dear Mr. Speaker:

I write to express my strong opposition to the Penny-Kasich amendment to H.R. 3400.

Over the past year, we have taken bold and serious steps to bring down the federal budget deficit and regain control of our economic destiny. We can be proud of the \$500 billion in deficit reduction—including \$255 billion in spending cuts—that we accomplished for fiscal years 1994 through 1998. The hard freeze on discretionary budget authority and outlays is the most significant step that has ever been taken to control discretionary spending. Likewise, my executive order establishing targets for mandatory spending (along with the specific mandatory savings contained in the reconciliation bill) is the first real step that has been taken to control unforeseen increases in entitlement programs. Furthermore, we have introduced the most detailed plan ever to provide universal health coverage and control the rise in health care spending—which is the main culprit in driving up the budget deficit.

With specific regard to fiscal year 1994, we have already achieved, in the budget and appropriations process, savings of some \$12 billion from the 1994 cap on budget authority. That is a major accomplishment. I have also sent to the Congress a 6-year \$9 billion package of additional spending reductions and a \$2 billion fiscal year 1994 rescission bill. I am also supporting efforts to increase these savings as contained in H.R. 3400. The primary changes will be: (1) increasing the rescission proposal to \$2.6 billion in fiscal year 1994; and (2) a specific requirement to implement the National Performance Review (NPR) proposal to eliminate 252,000 positions from the federal work force. These and other actions will bring the total savings in the package to \$25-\$30 billion, as likely to be scored by the Congressional Budget Office.

In addition to these spending cuts, my Administration is working with the Congress on major reforms in the procurement process to be based on the principles established in the Vice President's NPR. If the legislation follows those principles, we anticipate that the procurement measure will save another \$22 billion over 6 years on top of the \$25 billion—\$30 billion in spending cuts described above.

The Penny-Kasich amendment to this savings package includes many meritorious spending cuts. Indeed, many of them have been proposed by my Administration to finance health care reform and meet the unprecedented spending caps in the recently passed economic plan. As they have included several of our cuts in their package, we will include several of these cuts in either our package or our FY 1995 budget proposal. Yet, despite these areas of common ground, I strongly believe that the amendment should not be passed for the reasons set forth below:

Health Care Reform. In the aftermath of the \$500 billion deficit reduction plan, the largest trouble spot in the federal budget is the spiraling cost of health care. The best single hope for reducing the long-term structural deficit is passage of fundamental health care reform to bring these costs under control. Yet, Penny-Kasich claims over \$40 billion of the potential Medicare savings needed for *any* serious health care plan. Therefore,

it hurts, not helps, our effort to bring the federal deficit down. Denying these savings to health care reform would reduce the flexibility needed for any plan, and fracture the growing consensus for universal coverage and cost containment. The fact that the authors have chosen to modify their proposal by *increasing* the magnitude of the health care cuts is particularly disturbing.

A Substantial Budget Gap Will Be Created: Our economic plan already requires an unprecedented 5-year “hard” freeze on discretionary spending that will require serious cuts in nearly every part of the budget. This strict spending constraint already puts severe limits on spending, and will require serious cuts in nearly every part of the budget. Indeed, we already need to find over \$50 billion in additional discretionary savings to meet our deficit reduction targets and protect needed investments in fighting crime, defense conversion, infrastructure, training and education and other investments that most Americans believe are essential to economic growth. The original Penny-Kasich proposal would mandate an *additional* \$53 billion reduction of the discretionary spending caps. Because at least \$20 billion of its specific spending cuts are already included in my plan, Penny-Kasich leaves a *\$70 billion gap* between the deficit reduction mandate and the savings that are specified. Efforts to close this gap could harm important national priorities.

Defense. We are already undertaking a measured reduction in defense spending, carefully designed to protect our security needs. As defense makes up roughly half of total discretionary spending, the need to close a \$70 billion discretionary spending gap would create pressure for arbitrary defense cuts in force structure, force modernization, training and readiness, base cleanup, and defense conversion that could threaten our national security. Secretary of Defense Aspin and General John Shalikashvili, the Chairman of the Joint Chiefs of Staff, believe that the amendment “duplicates DoD reductions already taken to the current budget levels . . . [and] would require cuts to personnel strength that would seriously degrade the support necessary to maintain readiness.” In their letter to Congress, the Secretary and

General went on to state, that the amendment and that while “[w]e appreciate the enormous pressures that deficit reduction goals have placed on federal spending, . . . we do not believe this Congress is willing to allow our military forces to become the hollow shells that existed in the late 1970s.”

Bipartisan Commission on Entitlement Reform. As you know, I have issued an executive order establishing a bipartisan commission to consider further entitlement reform. I believe that such detailed and deliberate consideration is the better way to address the difficult issues in our complex entitlement programs.

Economic Growth and the Timing of Deficit Reduction. We have already enacted the largest deficit reduction package in our nation’s history. While our economy still has a long way to go, the benefits of all of our actions are beginning to show. In the first 9 months of our Administration, the economy has created 200,000 more private sector jobs than were created over the last 4 years. The economic plan has led to historic lows in interest rates and mortgage rates, which are fueling an investment-led recovery while allowing millions of American families to refinance their homes or find better opportunities to buy their first home. Over 90 percent of small businesses are already eligible for new or additional tax cuts due to our economic plan. And starting January 1, 1994, over 15 million American households with full-time workers will receive new or additional tax cuts so that those who work full-time will not have to live in poverty.

While we still must do more to get our economy working for all Americans, recent economic indicators suggest—and my Secretary of the Treasury and Chair of the Council of Economic Advisers agree—that our plan provided the right dose of deficit reduction. We should give that plan time to work and not take risks with our now fledgling recovery.

Together, we have made major strides in bringing down the deficit while still taking the steps we need to ensure national security and economic growth. Many of the ideas contained in the Penny-Kasich legislation can help move us in that direction, but for the

reasons listed above, the amendment as a whole is flawed and must be rejected.

Sincerely,

Bill Clinton

NOTE: This letter was made available by the Office of the Press Secretary but was not issued as a White House press release.

**Message to the Congress
Transmitting the Russia-U.S. Fishery
Agreement**

November 19, 1993

To the Congress of the United States:

In accordance with the Magnuson Fishery Conservation and Management Act of 1976 (Public Law 94-265; 16 U.S.C. 1801 *et seq.*), I transmit herewith an Agreement Between the Government of the United States of America and the Government of the Russian Federation Amending and Extending the Agreement on Mutual Fisheries Relations of May 31, 1988. The agreement, which was effected by an exchange of notes at Washington on March 11 and September 15, 1993, extends the 1988 agreement through December 31, 1998. This agreement also amends the 1988 agreement by simplifying the provisions relating to the issuance of licenses by each Party to vessels of the other Party that wish to conduct operations in its 200-mile zone and by adding the requirement that the Parties exchange data relating to such fishing operations. The exchange of notes together with the present agreement constitute a governing international fishery agreement within the meaning of section 201(c) of the Act.

The agreement provides opportunities for nationals and vessels from each country to continue to conduct fisheries activities on a reciprocal basis in the other country's waters. The agreement also continues a framework for cooperation between the two countries on other fisheries issues of mutual concern. Since the 1988 agreement expired October 28, 1993, and U.S. fishermen are conducting operations in Russian waters, I strongly recommend that the Congress consider issuance

of a joint resolution to bring this agreement into force at an early date.

William J. Clinton

The White House,
November 19, 1993.

**Message to the Congress Reporting
Budget Deferrals**

November 19, 1993

To the Congress of the United States:

In accordance with the Congressional Budget and Impoundment Control Act of 1974, I herewith report four new and two revised deferrals of budget authority, totaling \$7.8 billion.

These deferrals affect International Security Assistance programs as well as programs of the Agency for International Development, the Department of State, and the General Services Administration. The details of these deferrals are contained in the attached report.

William J. Clinton

The White House,
November 19, 1993.

**Digest of Other
White House Announcements**

The following list includes the President's public schedule and other items of general interest announced by the Office of the Press Secretary and not included elsewhere in this issue.

November 13

In the morning, the President traveled to Memphis, TN, and returned to Washington, DC, in the evening.

November 16

In the morning, the President met with Richard Spring, Deputy Prime Minister and Foreign Minister of Ireland. In the afternoon, the President met with Mieko and